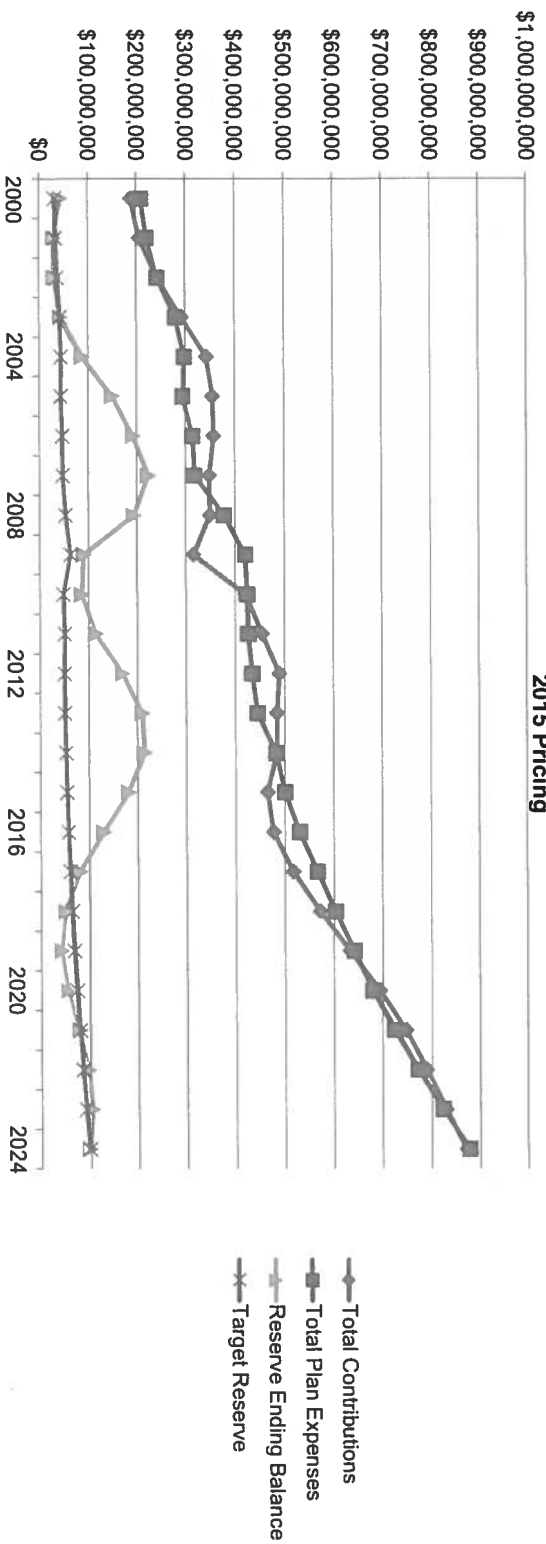


Division of Healthcare Finance  
 Projected Reserve Calculation - Current Plan A with New Plan C Design (\$2,600/\$5,200 deductible) with a -8.5% Employer decrease in 2015  
 Medical, Pharmacy, Dental and Vision  
 Projection as of August 2014

Plan Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Factors and Assumptions</b>	<b>Actuals</b>	<b>Projected Factors and Assumptions:</b>										
Interest Rate on Reserves	0.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Admin/Contract Fee Trend	1.1%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
Kansas Healthcare cost trend rate	3.1%	5.0%	5.0%	6.0%	7.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
<b>Policy Choices</b>	<b>HCC Policy Choices in May 2012</b>	<b>HCC Policy Choices by May 2013</b>	<b>HCC Policy Choices by May 2014</b>	<b>Future Policy Choices:</b>								
State Employer Contr. % incr. (eff. July 1)	0.0%	-2.0%	-8.5%	11.0%	11.0%	11.0%	11.0%	9.0%	7.0%	5.0%	5.0%	5.0%
Non-State Employer % incr. (eff. July 1)	0.0%	-2.0%	0.0%	11.0%	11.0%	11.0%	11.0%	9.0%	7.0%	5.0%	5.0%	5.0%
Employee Contr. % incr. (eff. Jan 1)	0.0%	-2.0%	0.0%	11.0%	11.0%	11.0%	11.0%	9.0%	7.0%	5.0%	5.0%	5.0%
Dependent Contr. % incr. (eff. Jan 1)	0.0%	-2.0%	0.0%	11.0%	11.0%	11.0%	11.0%	9.0%	7.0%	5.0%	5.0%	5.0%
Direct Bill Contr. % incr. (eff. Jan 1)	0.0%	-2.0%	0.0%	11.0%	11.0%	11.0%	11.0%	9.0%	7.0%	5.0%	5.0%	5.0%
Plan design changes % impact on expenses	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>												
Beginning reserve earning interest	12,030,660	210,418,379	214,427,655	181,294,357	129,502,327	80,853,420	50,748,837	42,701,115	56,302,145	78,697,568	96,886,933	104,059,761
Beginning reserve not earning interest	158,309,374	0	0	0	0	0	0	0	0	0	0	0
<b>Beginning Total Reserve Balance</b>	<b>170,340,034</b>	<b>210,418,379</b>	<b>214,427,655</b>	<b>181,294,357</b>	<b>129,502,327</b>	<b>80,853,420</b>	<b>50,748,837</b>	<b>42,701,115</b>	<b>56,302,145</b>	<b>78,697,568</b>	<b>96,886,933</b>	<b>104,059,761</b>
<b>Projected Cash Flow</b>												
Total Employer Contributions	358,819,472	359,465,449	343,664,848	349,727,448	388,197,467	430,899,189	478,298,100	525,878,560	567,722,390	601,593,750	631,673,437	663,257,109
Total Participant Contributions	125,591,986	125,090,707	121,538,436	127,155,258	128,924,306	141,414,163	155,137,700	167,918,243	179,230,316	188,585,107	198,397,992	208,691,549
Total Contributions	484,411,458	484,556,156	465,203,284	476,882,707	517,121,774	572,313,351	633,435,800	693,796,803	746,952,705	790,178,857	830,071,429	871,948,658
Total Plan Expenses (Claims, ASO fees & contracted expenses)	444,772,330	482,651,064	500,480,859	530,487,680	567,065,704	603,226,468	641,991,010	680,622,784	725,120,303	772,776,468	823,867,470	878,645,310
Interest on Reserves	13,216	2,104,184	2,144,277	1,812,944	1,295,023	808,534	507,488	427,011	563,021	786,976	968,869	1,040,598
<b>Net Cash Flow</b>	<b>39,652,344</b>	<b>4,009,276</b>	<b>(33,133,298)</b>	<b>(51,792,030)</b>	<b>(48,648,907)</b>	<b>(30,104,583)</b>	<b>(8,047,722)</b>	<b>13,601,030</b>	<b>22,395,424</b>	<b>18,189,364</b>	<b>7,172,828</b>	<b>(5,656,054)</b>
<b>Projected Reserve Balance</b>	<b>209,992,379</b>	<b>214,427,655</b>	<b>181,294,357</b>	<b>129,502,327</b>	<b>80,853,420</b>	<b>50,748,837</b>	<b>42,701,115</b>	<b>56,302,145</b>	<b>78,697,569</b>	<b>96,886,932</b>	<b>104,059,761</b>	<b>98,403,707</b>
Reserve Ending Balance	50,623,108	53,136,639	54,586,586	57,311,977	60,433,033	64,820,638	69,531,520	74,589,691	80,020,957	85,853,050	92,115,770	98,841,144
Target Reserve	29,205,676	30,655,754	31,492,261	33,064,602	34,865,211	37,396,522	40,114,338	43,032,514	46,165,937	49,530,606	53,143,714	57,023,737
IBMR Claim Reserve												
Claim Fluctuation Reserve	21,417,432	22,480,686	23,094,325	24,247,375	25,667,821	27,424,716	29,417,182	31,557,177	33,855,020	36,322,444	38,972,057	41,817,407

**Projected Reserve Balance  
Annual Contributions, Expenses and Fund Balances  
2015 Pricing**



**Projected Reserve Balance  
Increases in Employer and Employee Premium Contributions  
2015 Pricing**

